

## Message Text

CONFIDENTIAL

PAGE 01 HONG K 13170 041221Z

53

ACTION EA-09

INFO OCT-01 ISO-00 PM-04 NSC-05 SP-02 SS-15 CIAE-00

DODE-00 INR-07 NSAE-00 PA-01 USIA-06 PRS-01 EB-07

AGR-05 SAJ-01 OMB-01 /065 W  
----- 122552

R 040908Z NOV 75

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 7867

INFO USLO PEKING

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

CINCPAC HONOLULU HI

AMEMBASSY SINGAPORE

FBIS OKINAWA

C O N F I D E N T I A L HONG KONG 13170

CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS: PINT AGRIC CH

SUBJ: MARKET RESTRICTIONS A KEY GOAL IN RESTRICTING BOURGEOIS  
RIGHTS

REF: A) HK A-201 B) HK 9597

1. DESIGNED AS ONE OF MANY VARIED EFFORTS TO TRANSFORM  
THE RESTRICTION OF "BOURGEOIS RIGHTS" FROM THEORY INTO  
ACTION, RESTRICTIONS AGAINST RURAL FREE MARKETS AND FREE  
TRADING MARKETS IN CHINA'S CITIES HAVE PROVOKED MIXED  
REACTIONS AND A DEFENSIVE POSTURE FROM THE KWANGTUNG  
AUTHORITIES. WITH SOME BACKSLIDING ON FIRST ROUND  
RESTRICTIONS ALREADY REPORTED BY TRAVELERS. CANTON'S NAN  
FANG JIH PAO PROVIDES CLEAR EVIDENCE THAT THE REGIME IS  
DETERMINED TO KEEP THE RESTRICTIONS GOING IN SPITE OF INITIAL  
OBSTACLES AND RESISTANCE. SPECIFICALLY, A LI I-PI  
ARTICLE IN THE PAPER'S SEPTEMBER 9 ISSUE (FOURTH IN A  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 HONG K 13170 041221Z

SERIES ON THE MARKETS--- SEE SPRCP SUPPLEMENT NO. 376)

INSISTS THAT ACTUAL SHORTAGES IN COMMODITIES IN THE RURAL MARKETS ARE BEING MADE UP BY INCREASED ITEMS IN THE STATE-OPERATED MARKETS. FURTHER, THE ARTICLE SETS THE ACCEPTANCE OF THE STATE RESTRICTION EFFORTS AS A QUESTION OF LINE AND, ALTHOUGH ASSERTING THAT THE "PERMITTED " SHOULD NOT BE ARBITRARILY PROHIBITED, MAKES CERTAIN THAT RESTRICTION OF FREE TRADING IS THE OFFICIAL TARGET.

2. LI'S INSISTENCE ON THE ADVANTAGES OF RESTRICTIONS FOR PROMOTING A PLANNED ECONOMY LEDN THEMSELVES TO THE CURRENT TACHAI EMULATION EFFORT. HOWEVER, THERE IS LITTLE QUESTION THAT THE IRREGULAR IMPLEMENTATION AND VARYING RREGULATIONS (REFTELS) HAVE ONLY LED TO CONFUSION AMONG THE PEASANTS AND CITY-DWELLERS. LETTER WRITER COMPLAINTS OF HIGHER PRICES AND FURHTER COMMODITY SHORTAGES ALL POINT TO THE NEED FOR BETTER MANAGEMENT OF THE REGIME EFFORT. THE RESULTS OF THE POOR ADMINISTRATION ARE ALREADY EVIDENT IN LI'S ARTICLE WHICH DECRIES THE FACT THAT "SINCE THE RURAL MARKET WAS PUT IN ORDER" SECRET ACTIVITIES AND EVASIONS HAVE CARRIED ON. IT SEEMS LIKELY, THEREFORE, THAT THE REGIME WILL WISH TO CONCENTRATE MORE ON MAKING THE REGULATIONS UNIFORM AND EXPANDING THE AREAS OF IMPLEMENTATION TO AVOID THE APPEARANCE OF DISCRIMINATION.

CROSS

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MARKETS, POLITICAL STABILITY, URBAN AREAS, ECONOMIC REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 NOV 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975HONGK13170  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750382-0627  
**From:** HONG KONG  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19751177/aaaacrck.tel  
**Line Count:** 85  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 09 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <09 JUL 2003 by ShawDG>; APPROVED <10 JUL 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MARKET RESTRICTIONS A KEY GOAL IN RESTRICTING BOURGEOIS RIGHTS  
**TAGS:** PINT, EAGR, CH  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006